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SUBJECT: PRT ANBAR: ANBAR HOLDS SUCCESSFUL ELECTRONIC FUNDS TRANSFER
CONFERENCE

11. (U) SUMMARY: On January 27, about 30 Iraqi bankers and businessmen attended a conference organized by PRT Anbar on using electronic funds transfer (EFT) through banks for payments. Representatives from the USF-I Al Asad Regional Contracting Center described how participants could open an EFT account for U.S. Government contracts and avoid fraud during the process. Dar es Salaam Bank -- one of the more advanced private banks operating in the region -- described the services they can offer businesses wishing to open accounts. The U.S. Department of Defense's Task Force for Business Stability Operations gave a presentation on how their EFT Assistance Center can resolve problems with USG payments through EFT. END SUMMARY.

AL-ASAD REGIONAL CONTRACTING CENTER

12. (U) Representatives of the USF-I Al-Asad Regional Contracting Center gave participants a better understanding of how to avoid routine problems with EFT payments, such as incorrect routing numbers and differing names between the contract payee and the account holder. The participating Iraqi companies also learned that all legitimate contract correspondence from the U.S. Military will end in a ".mil" email address. In the past, fraudsters have impersonated U.S. military contractors by using emails ending in "usarmy.com" and offered fake contracts to Iraqi companies to do work for which they will never be paid.

DAR ES SALAAM BANK

13. (U) Ammar Al-Hatim of the private Dar es Salaam Investment Bank explained the process of opening an EFT-capable account to the participants. He described how account holders could transfer money throughout the world through Dar es Salaam's partner bank, Hong-Kong Shanghai Banking Corporation (HSBC). Some of the participants were surprised to learn that opening an account at Dar es Salaam's branch in Ramadi would allow them to access their money at any Dar es Salaam branch in Iraq or another country. The participants asked questions about the ATM options through Dar es Salaam, interest rates and fees, and letters of credit/letters of guarantee. Ammar assured the participants that, even though his bank was private, it enjoyed very good relations with both the Central Bank of Iraq and the state-owned Trade Bank of Iraq.

TFBSO EFT ASSISTANCE CENTER

14. (U) The Taskforce for Business Stability Operations (TFBSO) stressed how using EFT helps to reduce cash movement and therefore decreases the potential threat to vendors from terrorists and lowers the bank costs (by reducing movements of actual cash). TFBSO explained how their EFT Assistance Center works to improve the Iraqi EFT payment infrastructure, with tools such as the Real Time Gross Settlement System (RTGS), Automated Clearing House (ACH), and core banking systems. TFBSO also described how they work to ensure accuracy in data collection for the payments registration process and troubleshoot problems.

COMMENT

15. (U) The immediate goal of this conference was to help USG contractors in Anbar better understand EFT and encourage its use. The conference is part of a bigger effort to promote confidence in the Iraqi banking system and strengthen its relationship with the Iraqi business community. We will continue to use the USG's purchasing power in Anbar to encourage the development of modern banking ahead of the eventual drawdown of the U.S. provincial presence.

HILL